



PSC NEWS

Missouri Public Service Commission

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PUBLIC SERVICE COMMISSION AND OSAGE WATER COMPANY RECEIVER FILE SUIT TO DETERMINE OWNERSHIP OF FACILITIES AND PREVENT DISCONNECTION OF SERVICE

JEFFERSON CITY---The Missouri Public Service Commission and the Osage Water Company have filed cases in Camden County Circuit Court seeking to determine the proper owner of sewer facilities that serve the Golden Glade and Eagle Woods Subdivisions (KK wastewater treatment facility) as well as water and sewer facilities serving the Chelsea Rose service area. The PSC and Osage Water Company believe that Osage Water Company is the actual owner of the facilities in question.

As part of the actions taken by the Public Service Commission and the Osage Water Company, the court has been asked to enjoin the defendants from disconnecting service to customers while these matters are before the court.

The documents filed in court on January 24, 2006, name as defendants the Golden Glade Land Owners Association, Inc., the Eagle Woods Homeowners Association, Inc., Gregory D. and Debra J. Williams and the Hurricane Deck Holding Company.

The PSC and the Osage Water Company, operated by interim receiver Gary Cover, claim that the Osage Water Company is the rightful owner of the facilities since Osage Water Company has abided by the terms of the contracts entered into by it with the defendants. The filings in court claim that the contracts contemplate Osage Water Company ownership of the facilities if terms of the contract are performed by the water company. The filings claim that those terms have been carried out by the Osage Water Company and yet the defendants continue to maintain that they are the owners of the facilities.

On Monday, January 23, 2006, the Staff of the Missouri Public Service Commission filed a complaint against Hurricane Deck Holding Company, Gregory and Debra Williams and other parties alleging that all or some of the respondents are violating Missouri law by providing water and sewer service to the public, for gain, without certification or other authority from the Missouri Public Service Commission. The allegations center around water and sewer service provided to the Chelsea Rose service area near Sunrise Beach, Missouri.

The PSC Staff has asked the Commission for authority to go to circuit court to seek penalties.

The complaint alleges that the Hurricane Deck Holding Company seeks to turn the Chelsea Rose systems over to the homeowners. Staff contends that the Osage Water Company and not Hurricane Deck Holding Company is certificated to provide service to the Chelsea Rose area.

Since October of 2005, the Osage Water Company has been operated under an interim receiver (Gary Cover) appointed by the court. The court directed Osage Water Company and Environmental Utilities, LLC, and "all other persons in active concert and participation with them," to cooperate with Mr. Cover, transferring control of Osage Water to the appointed receiver and delivering to him all of Osage Water's records and assets.

The PSC Staff alleges that despite actual knowledge of the contents of the order appointing the receiver, the respondents, or some of them, have failed and refused to turn over to the receiver the system assets, books and records pertaining to the Chelsea Rose service area.